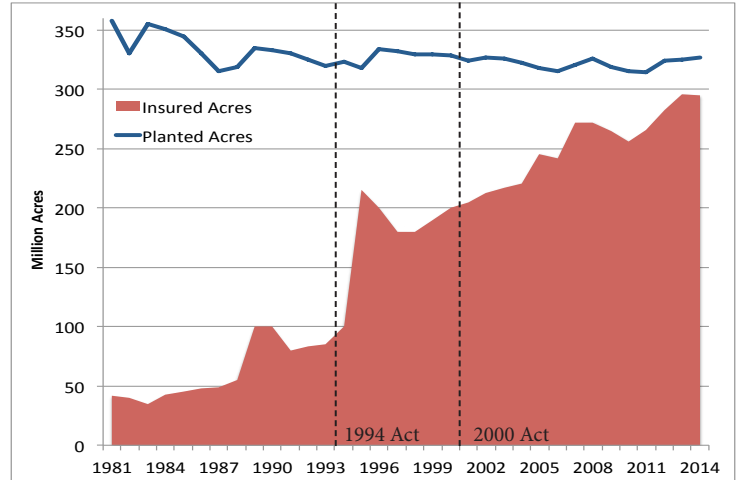


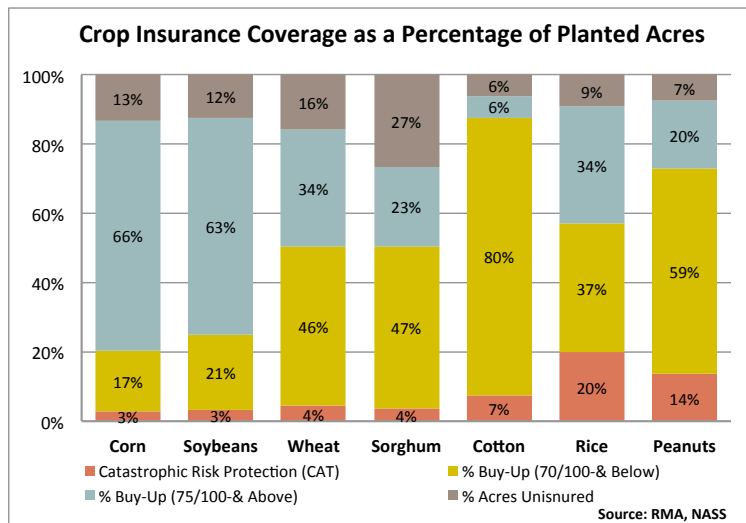
The Crop Insurance Professionals Association (CIPA) is a national association of crop insurance agents dedicated to providing the highest quality service to their producer customers. CIPA agents are located in over 30 states and sell policies in almost all 50 states. Learn more about CIPA at www.cipatoday.org.

Federal Crop Insurance: A Success Story for Congress and the American Farmer

- Crop Insurance provides tailored risk management for producers – providing support only when losses occur.
- Farmers share in the cost, paying \$4 billion in premium in 2014.
- Crop Insurance is cost efficient for the taxpayer as it has effectively ended costly *ad hoc* disaster payments.
- Since the move to private sector delivery in 1981 and with the improvements of the the Agricultural Risk Protection Act of 2000, crop insurance has steadily improved in participation and coverage levels.



Crop insurance is improving, yet still needs to be better for many crops



- Coverage levels, and corresponding deductibles vary greatly across crops and regions.
- Costs vary based on the value of the crop, and the risk of the individual farmer, crop and region.
- Generally, as participation increases, rates go down. If the goal is to keep costs down for producers and taxpayers we should be wary of adding regulations.
- Conservation compliance is having a negative impact, locking producers out of coverage.

Crop insurance protects farmers at a low cost to the taxpayer

- Crop insurance costs have declined with crop prices. Premiums for '15 are expected to be down 10% for corn, 14% for soybeans, and 18% for cotton due to prices.
- Crop insurance costs were included in the 2014 Farm Bill, which saved taxpayers \$23 billion.
- Crop insurance has also uniquely taken cuts in the 2008 Farm Bill and 2010 SRA contributing an additional \$17 billion to deficit reduction, even as demand for insurance increases.
- Many farmers receive loans based on the coverage they purchase. This leverages economic activity in other areas – purchases of better equipment, better seed, etc. – and builds stability into this dynamic sector for the benefit of all.
- Crop insurance leverages dollars. Over the past 7 years the total cost to the taxpayer averaged \$7.1 billion yet provided coverage for an average of \$102 billion in liability and paid over \$9.6 billion on losses.

	2008	2009	2010	2011	2012	2013	2014	Average
Actual Cost	4,075	7,889	4,706	6,387	4,810	13,734	8,244	7,121
'08/'09 Farm Bill Estimates	7,746	7,496	7,141	7,175	6,997	7,209	7,460	7,318
Crop Year Indemnities	8,680	5,222	4,254	10,867	17,439	12,039	8,998	9,642